



Dwelling in failure: power and uncertainty in a socialist large housing estate regeneration program in Saint Petersburg, Russia

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Received: 29 May 2020 / Accepted: 4 August 2021 / Published online: 20 August 2021
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Abstract

The main purpose of this paper is to explore how the fragmentation of home ownership, combined with the inefficiencies of top-down decision making at an institutional level, impact the implementation of a regeneration program for the aged housing stock (known as *khreshchevki*) built in Saint Petersburg, Russia during the 1950s and 1960s. We show how housing privatization has led to a predominance of private micro-ownership and discuss how this has shaped a peculiar power structure in the Russian housing sector characterised by the significant bargaining power of property owners. Combined with the inefficiencies of top-down decision making and constantly changing governance patterns in St. Petersburg, this has created massive obstacles for a major public regeneration program known as *Renovatsiya* and led to its eventual failure. Through the case study of one of the *Renovatsiya* zones in St. Petersburg, we identify shifts in respective roles of the state, developers and residents which sheds new light on the connections between privatization and marketization in the regeneration of large housing estates in Russia.

Keywords Post-Soviet large housing estate · Urban governance · Regeneration programs · *Khrushchevki* · Russia

1 Introduction

On April 8th, 2019, prefabricated housing residents in the *Sosnovaya Polyana* district in the southwestern outskirts of St. Petersburg, Russia were hit by a tragic accident. At night, a pipe that ran along a residential building exploded and a stream of hot water burst inside a first floor window, killing an elderly woman and injuring her son. It appeared that the lifespan of the pipe had been approaching its end, but the city heat power company

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responsible for its maintenance stated that they could not replace the pipe because of the area's private status as a *Renovatsiya* zone. In its turn, the private developer attached to the *Renovatsiya* program claimed no responsibility for maintaining the pipes as its objective was to demolish the buildings and regenerate the area—the plan was postponed indefinitely because of uncooperative apartment owners unwilling to vacate their houses. This tragic incident illustrates the limbo in which twenty-first century residents of mid-twentieth century estates found themselves with the advent of *Renovatsiya*.

Renovatsiya is an informal umbrella term for Russian regeneration programs that predominantly target prefabricated panel 5-storied houses built in the late 1950s and 1960s. These are now, 60–70 years after their construction, viewed as obsolete and dilapidated and are set for demolition and replacement with modern, comfortable, denser housing units. Since the 1990s, there have been several generations of programs that worked with this type of housing in Moscow and Saint Petersburg,¹ with each program more ambitious than the previous. To illustrate, the *Built-up Territories Development Program*, or the *Renovatsiya* program in St. Petersburg, was launched in 2008 as a public–private partnership aimed at redeveloping over 2 thousand acres of built-up land, necessitating that over a thousand of buildings in 23 zones around the city be demolished. The initial plans of Moscow's state-run *Renovatsiya* program in 2017, which shares the same name of the St. Petersburg project though in reality a separate initiative, were to tear down over 7 thousand apartment buildings and resettle 1.6 million people (Gunko et al. 2018). Unless otherwise indicated, all references to *Renovatsiya* in this paper will refer to the program in St. Petersburg.

While the implications of mentioned *Renovatsiya* initiatives are massive, scholars describe them as controversial policies with flawed designs that do not properly address the social issues involved nor facilitates citizen participation, and are based on a questionable premise concerning the residualisation of Soviet-era large housing estates (Gunko et al. 2018; Inizan 2019; Trumbull 2014; Urban 2011). Nevertheless, it is a matter of fact that similar plans are now in development all across the country. In other words, *Renovatsiya* initiatives make up the most important, yet disputed, regeneration policy in a country which is home to the most large housing estates in the world.

For decades, regenerating large housing estates has been on the agenda of many local and national governments, especially in Northern and Western Europe (see Turkington et al. 2004; van Kempen et al. 2005; Rowlands et al. 2009; Hess et al. 2018). As a consequence, initiatives for dealing with the specific challenges of these areas are legion. By and large, regeneration activities in many “Western” cities follows a “policy orthodoxy” (Watt 2017:7) which has spread from the United States to many European and Australian cities with large housing estates (for an overview see Watt and Smets 2017). In a nutshell, this “orthodoxy” rests on a combination of privatization with marketization: on the one hand, the achievement of “mixed tenure”, either by the sale of social housing units or by new construction projects, is regarded as beneficial for combating the concentration of poverty and problematic neighbourhood effects. On the other hand, the planning and management of estates is being commercialized in many countries and “...rather than such estates being primarily state-developed, they would be developed as part of public–private partnerships”

¹ Moscow 1999: *Program of complex reconstruction of 5-storey estates of the first generation of mass prefabricated construction*, or “Luzhkov's *Renovatsiya*”; Saint Petersburg 2000: *Regional program of reconstruction of housing of first mass series*; Saint Petersburg 2008: *Built-up Territories Development Program*, or Saint Petersburg *Renovatsiya*; Moscow 2017: *Program of renovation of Moscow Housing Stock*, or “*Sobyanin's Renovatsiya*”.

(*ibid.*). In reality, there is a close relation between these two changes, as the subjectification of formerly non-market to private investment opens up new opportunities for capital accumulation. Privatization and marketization thus seem to go hand in hand in large swathes of the literature.

However, what is largely missing from the discussion is the fact that privatization and marketization are not necessarily two sides of the same coin. Instead, their combination is full of preconditions, and—as a tool for regenerating housing estates—prone to failure.² Rather than automatically working in tandem, privatization and marketization are not as easily combined as much of the literature seems to suggest, and the way this comes about needs to be explored rather than taken for granted.

In this paper, we discuss how the specific combination of mass privatization of formerly state-owned housing units, together with a market-led public–private partnership approach, has not led to the transformation of large housing estates but has amounted to a limbo. Put differently, we apply a perspective of “policy failure” to take a fresh look on the interrelation of privatization and marketization and argue that the combination of both does not always lead to ‘success’.

Our perspective on failure is informed by policy studies which have discussed “how great expectations in Washington are dashed in Oakland” (Pressman and Wildavsky 1974) at length. Within this wide literature on “policy failure” (Bovens and t’Hart 1996; McConnell 2010; Painter and Pierre 2005; McConnell 2015; Peters 2015; Howlett et al. 2015; Peters and Pierre 2016, ch. 7), two points stand out as particularly relevant to the challenges of housing estates:

- failure has multiple sources: some are of a technical nature (e.g. a lack of understanding in the face of thorny problems, ignorance towards the risks involved in policy proposals), while others point to more deep-seated political issues (e.g. lack of funding and resources, legitimacy issues, political opposition) or matters of coordination (e.g. divergent policies at the local and the national level). Therefore, failure is not endemic to state actors; market and networked governance arrangements can fail as well (see Jessop 2000 for a more extensive discussion).
- policy failure is tied to the presence of “veto points” (Tsebelis 2000): policymaking is composed of multiple actors that need to agree before a proposal can be enacted—the more vetoes there are, and the stronger the vetoing power of an individual actor is, the more likely a policy failure becomes. Thinking about veto points also motivates moving beyond the realms of government in a narrow sense and considering the “environment” in which a policy shall be implemented, such as the nature of a given political system, state capacities, or property structure.

In this paper, we wish to use the concept of policy failure to highlight the importance of understanding the political framework for the study of approaches to housing regeneration. This is particularly important for the countries where weak state capacities, unstable political environment, informal decision-making and an underdeveloped planning culture are the norm rather than the exception. Russia is a notable example here.

² To read more about the difficulties of bringing together marketization and privatization, see a recent book by Gavin Shatkin (2017) on major land development projects in Asia in which the author demonstrates that public private partnerships are notoriously ridden by political instability and failure.

The paper also adds to the knowledge on urban, housing and regeneration issues in Russia in general. While most of the available works on *Renovatsiya* programs explore the Moscow program of 2017, we see this focus as problematic since Moscow's wealth and its special status as Russia's capital has always given urban policies very specific conditions and impulses (Büdenbender and Zupan 2017). Consequently, the financial conditions under which regeneration takes place, as well as investor role and type, the capacities of public administrations, the rights given to residents during the resettlement process and the conditions for relocation all differ when explored elsewhere in the country.³

Empirically, our research is based on a case study in *Sosnovaya Polyana*, an area in the southwest of Saint Petersburg, where *Renovatsiya* has been at work since 2008. In the course of our research, we have undertaken extensive media analyses on this neighbourhood and conducted 22 in-depth interviews with city experts, *Renovatsiya* stakeholders, residents and activists within and around the studied zone of proposed demolition. We have as well performed multiple site visits and observations. Through this, we have explored the local factors which have shaped the design of the program, analysed the underlying governance patterns and examined the experiences made in the program's implementation.

In the paper we proceed as follows: in the first section, we discuss the specifics of the housing estates set for regeneration. In the second section, we explore the design and history of the Saint Petersburg *Renovatsiya* program. In the third and fourth sections, we describe the political context in which the program emerged as well as the factors that led to its failure. Finally, we focus on the policy failure experiences on the ground and explore contestations from among the residents that the program triggered. We conclude by reflecting on the relationship between privatization and marketization revealed by the Saint Petersburg program and provide recommendations for further policymaking.

1.1 Khrushchevki: from socialism to privatization

The *Renovatsiya* program discussed in this paper mainly targets the building type known as “*khrushchevki*” that can be found all across the former Soviet Union. The popular nickname *khrushchevki* most commonly refers to 5-storey buildings made of prefabricated concrete panels built between 1958 and 1970s. These usually contain 80–100 apartments and house around 300 people (Gunko et al. 2018). Named after Nikita Khrushchev, the Communist Party leader of the USSR (1953–1964), *khrushchevki* were developed as a solution to the acute post-war housing crisis as well as a means to raise the living standards of Soviet citizens by providing them with single-family homes. The speed and mass scale of housing commissions in the Khrushchev era (an entire building could be completed within 12 days) were achieved through the standardisation and industrialisation of building methods and allowed the country's housing stock to double within 25 years.

³ To illustrate, while the current Moscow *Renovatsiya* program is implemented primarily through the city budget, the Saint Petersburg program is meant to proceed as a commercial investment. The boundaries of the construction and resettlement zone are more extended in Moscow, which eases resettlement. The Muscovite program proceeds on the basis of a city law outlining that in case that 2/3rds of the tenants support the inclusion of their building into the *Renovatsiya* program, the rest can be forcibly evicted. In sum, while the Moscow model rests upon a strong role taken by the city government, the Saint Petersburg model was designed as a public–private partnership with the investor financing all stages of the process: the costs of demolition, relocation, new construction, new engineering networks and the upgrading of built-up environments. The city, on the other hand, would be obliged to fund social infrastructure like schools and kindergartens.

There has been a perpetuated notion about *khrushchevki* as a "temporary solution" with an estimated service life period from 25 to 50 years depending on the series (Erofeev 2014). However, engineers have also stated that no technical documents support such a timeline (Linov and Ivanov 2018) and there has been research suggesting that, with major overhauls, *khrushchevki* could serve as long as 150 years (Kravchenko 2016). But beyond doubt, the modernist planning solutions and cultural practices associated with *khrushchevki* have become an integral part of urban and social landscapes in Russia (Brumfield and Ruble 1993; Harris 2013; Erofeev 2014). Nowadays, these buildings are home to about 8.6 million Russian citizens. In Saint Petersburg, about 9 million. sq. m. of *khrushchevki* make up for about 8% of the housing stock and provide shelter for 12% of the population (Zakon Sankt-Peterburga ot 10.02.2000; Zhiloi fond v Sankt-Peterburge).

After the collapse of the Soviet Union, housing privatization (i.e. the transfer of apartment possession from the state to individuals) took place. Aiming to move the country from a planned economy to a market one, the federal law introduced in 1991 the right for all sitting tenants to privatize the apartments they inhabited for a nominal fee. The same law made housing subject to the market exchange. By 2015, about 87% of housing stock in Russia had been privatized (Sivaev 2018: 35). All in all, the privatisation made the majority of Russians homeowners but also led to a large degree of fragmentation with regard to housing ownership: within one building, it is not uncommon to find a (a) family who occupies the flat they privatized next door to (b) a neighbour who bought the flat using mortgage or cash payments, and (c) another neighbour who rented the flat from a private owner who lives elsewhere, as well as (d) residents who have not yet privatized their flat and remain state tenants, plus (e) those who received their 'social' flat because they were eligible to social housing. This situation is even more complicated in the case of 'communal flats' where individual rooms, or even parts of rooms, were privatized, meaning that the diversity of ownership types described above can be found even within a single apartment.

In addition to ownership, housing management has also been established in a very fragmented and complicated way. This, while flats were privatized early on, the land and the building itself usually remained city property. Housing associations, in which the owners of a building would take common responsibility for maintenance and operation costs, would be initiated only in 2005 and still struggle with enormous difficulties. General building upkeep is therefore to a large degree provided by management companies, both public and private, that charge the owners at administratively defined rates. As a consequence, the business considerations of these companies are crucial in the maintenance and development of housing stock, often overruling the goals of apartment owners.

1.2 The emergence and the course of *Renovatsiya* in St. Petersburg

In the 1990s and 2000s, the construction sector was severely depressed in Russia and only small or medium-sized construction companies built single buildings. In Saint Petersburg, these companies predominantly operated in the historic inner-city (for the reason of a higher market value), leaving a large share of peripherally-located modernist housing estates aside. However, the demolition of heritage-protected buildings and aggressive infill development, known locally as *uplotnitelnaya zastroika* (aggressive infill development), became very controversial in the early 2000s (Nikiforov 2011; Trumbull 2012; Zakirova 2009). Widespread discontent, together with the exhaustion of plots for potential infills, fostered a change in city planning strategies under Governor Valentina Matvienko (2003–2011). This change was also prompted by new federal policies which demanded the

overall national commission of 70–80 million square metres of affordable housing annually. Against this background, Governor Matvienko simultaneously focused on three issues: (a) brown-field development in the industrial zones surrounding the historical centre, (b) the redevelopment of the first series of mass prefabricated housing (*Renovatsiya*) and (c) green-field development at the peripheries.

The program *Razvitie Zastroennih Territorii (Built-up Territories Development)*, or *Renovatsiya*, was launched in Saint Petersburg in May 2008. It involved the demolition of 1200 “morally and physically obsolete” buildings in 23 zones of 9 administrative districts, as well as the relocation of their residents into new “modern and comfortable” premises at least three times as dense (Zakon Sankt-Peterburga ot 16.04.2008). Officially, the program set out the following goals:

- an increase in the level of housing security;
- an improvement of the social and economic characteristics of the city housing fund;
- an improvement in built-up land use efficiency;
- the renovation and development of engineering, social and utility infrastructure.

Subject to the program were:

- buildings of the first mass series built in 1958–1970 (*khrushchevki*).
- low-rise housing built prior to 1966;
- buildings with a degree of dilapidation exceeding 70%;
- buildings subject to inappropriate use or the violation of city planning standards (Adresnaya programma razvitiya zastroennyh territoriy).

The discourse on *Renovatsiya* perpetuated by city officials, developers and the media focused almost solely on *khrushchevki* as the program’s target, ignoring other types of low-density housing included into the program, and unequivocally painted *khrushchevki* as “depressing” estates with “suffering” residents with *Renovatsiya* working to relieve their burden. Various experts, however, debunked the premise about *khrushchevki* as inadequate living environments and suggested alternative considerations for the definition of program targets:

We considered two methods when it came to Renovatsiya: the reconstruction of existing buildings or the demolition of the existing buildings with the construction of new ones [...] The architects suggested keeping the estates: there are good planning solutions, settled environment and lifestyles, good public spaces. They were in favor of reconstruction, changing the qualitative characteristics. So was I. But it was decided that it is expensive, slow, costly and uninteresting. It is easier to demolish. (expert: member of the Saint Petersburg Legislative Assembly who participated in *Renovatsiya*’s design).

During the biddings for the program in 2009, a development company called “SPb Renovatsiya”, founded offshore in Cyprus just one month prior to the tender, obtained the right to develop 22 zones with an overall area of over 2 thousand acres, paying less than 1% of the market land price and expecting investments of about 0.4 trillion rubles (Anin 2017). The investment contract with “SPb Renovatsiya” stated that it had to commission 8.5 million square meters of new housing, 1.6 million square metres of which would be used for the relocation of the owners of flats to be demolished and over 1 million square meters for the relocation of state tenants. The remaining 5.9 million of commissioned square meters in *Renovatsiya* zones (70% of the new built housing) were to be sold by the developer on the free market to make up for the expenses of demolition, construction and relocation, as

well as for making profit. Thus, the model implied not displacement but the resettlement of local residents into new buildings within the same *Renovatsiya* zone, i.e. within a relatively small distance (about 3 square kilometres in the case of Sosnovaya Polyana).

In terms of procedural considerations, the Saint Petersburg program adopted a mechanism of “*volnovoe pereseleniye*” (“phased” or “wave-like” relocation) in which new construction and relocation were to be conducted in phases: (1) first the developer builds an infill within a *Renovatsiya* zone on a ‘starting plot’ (2) the residents of nearby *khrushchevki* move into the new building while their former houses get demolished and (3) in place of demolished *khrushchevki*, new houses are built to resettle a new portion of *khrushchevki* dwellers. (4) The new portion of old houses is then demolished, and this goes on until the entire quarter is renewed.

In reality, the mechanism described above soon proved unviable. A mid-term assessment of *Renovatsiya* progress in 2015 showed that, after seven years, the program has hardly taken off. Among the factors impeding *Renovatsiya* progress were:

- a lack of ‘starting plots’ for the commencement of construction and the first phase of relocation;
- a lack of opportunities to develop territories located within zones of protected cultural heritage;
- a lack of timeframe synchronization with regards to the commission of housing by the developer and the commission of social infrastructure by the city;
- the issue of the ‘last resident’ (*Adresnaya programma razvitiya zastroennyh territoriy*).

By the time the initial contract with “SPB *Renovatsiya*” expired in 2019, only 3.5 percent of the program’s objectives had been completed. Even more surprisingly, not a single of *khrushchevki* had been demolished.

1.3 Governance failure within Saint Petersburg’s *Renovatsiya*

As described above, the program’s original design did not reflect the many issues that would place significant barriers to *Renovatsiya*’s success. This, however, leads to the question of why the program had not been designed in a more effective manner. Answering this question necessitates reflecting on the changing and unstable governance context in Saint Petersburg as well as on the coordination problems resulting from it.

The *Renovatsiya* agenda was set in 2007/2008 with key management structures formed at the time; this occurred within the context of a powerful and ambitious coalition of city government and business established during Governor V. Matvienko’s administration. In line with ambitions for a more global status as Russia’s “Northern Capital”, Matvienko established an ‘open door’ climate for real estate developers and formed close informal links with local businesses. This state-to-business patronage provided was important as it reduced the business risks of engaging in programs of *Renovatsiya*’s scale, thus generating business interest. This was necessary, as Saint Petersburg could not count on the advantageous position that Moscow holds in the Russian economy and, consequently, its city budget was incomparably smaller. Thus the ability to finance the costs of *Renovatsiya* through state expenses was much reduced, making the city dependent on private capital while private capital also needed the support of the city government. This mutual dependency resulted in a peculiar city government-business coalition largely based on informal relations and “closed-door agreements”.

This is how a former government official describes the decision-making process at the time of *Renovatsiya's* launch:

And then a certain company was created [SPb *Renovatsiya*]. It was run by X. [...] He was a frequent guest at Y's office [the head of the one the city departments]. He would go in just like that, after a call. When no one was received, he was received. It was a lobby... [...] Everything was decided behind closed doors. (expert: architect, former government official who participated in *Renovatsiya's* design).

When Georgy Poltavchenko became governor of Saint Petersburg in 2011, the close links between local developers and the city government were successively cut. Saint Petersburg experienced a shift in planning practices: reacting to public movements against *uplotnitelnaya zastroyka* and for the protection of cultural heritage (Gladarev 2011), as well as to calls for transparency and accountability, the new government introduced a number of legislative shifts and reoriented its urban development policy. As a consequence, Matvienko's "growth regime" (Logan and Molotch 1976) was replaced by what could be called Poltavchenko's 'status quo regime'. For local developers this was rather problematic, as the new political situation largely left them standing in the rain. The successive economic crisis of 2008 and 2013–2014 further complicated the situation:

Many tell us that rules have changed. Indeed, they have changed ever since the program's design. [...] Of course we can see it now, retrospectively, that the business model [of *Renovatsiya*] is not viable. But back then we had a completely different perspective. [...] It was generally an optimistic time. [...] Valentina Ivanovna [Governor Matvienko] had a lot of drive. She was so energetic that sparks were flying around. Some thought there were too many sparks, that she gave the city an overly rapid speedup. But whatever we see now and use is to her credit. Within the six years of Georgy Sergeevich Poltavchenko's governance [...] no park was built in these six years, no significant development... [goes on to list unfinished and postponed projects]. (expert: representative of developer in *Renovatsiya*).⁴

Thus, while *Renovatsiya's* original design was based on a close collaboration between business interests and an administrative machine capable of paving the way forward, the new city government de facto left the partnership after initiating a shift in political priorities. This broke the governance structure underlying the program and thus left the developers alone when dealing with problems that could only be dealt with in collaboration with the state.

What this demonstrates, in broader terms, is the difficulty of aligning the timeframe required by a privately financed, large-scale redevelopment project with the timeframes of local politics. Here, Saint Petersburg experienced a discrepancy between the long-term implications of *Renovatsiya's* management model, one worked out under the conditions present in 2007/2008, and the realities of short-term political change. Such tensions are not unique to Russia, but they accumulate greater weight in a climate of long-term political

⁴ Poltavchenko's "passive" governance style could also be explained as a consequence of Matvienko's "energetic" policies: the former Governor gave out a great deal of construction permissions to developers, leaving a limited amount of vacant land still owned by the city. But even more importantly, those permissions came along with obligations for the city to provide infrastructure (roads, engineering, social) that the city, in fact, could not afford. The mistakes made by the previous administration were publicly discussed, so the new administration neither wanted nor had resources to proceed in the same manner.



Fig. 1 Photograph *Renovatsiya* in *Sosnovaya Polyana*, 2018: old *khrushchevki* next to new high-rises built through *Renovatsiya*. Photo is taken by a local resident; used with the author's permission

and economic insecurity and, in the end, resulted in a break between *Renovatsiya's* business model and the political support needed for its effective implementation. The city government-business coalition is, therefore, not a given and stable model—it is rather a vulnerable construct subject to reconfiguration, slowdown or even breakdown, especially in the turbulent context of societies in transition.

1.4 The limbo of *Renovatsiya*

This failure left the program's 23 zones in an uncertain state. In places where regeneration had already begun, however, the situation was worse. This was most visible in *Sosnovaya Polyana*: after the completion of the first few new residences, "SPb *Renovatsiya*" started relocating the residents of the surrounding *khrushchevki* into new apartments with the intention to demolish what used to be their homes and create a construction site for a new section of high-rises (Fig. 1).

While generally welcomed by the residents, the company met fierce resistance from a few of them who neither wanted to sell nor relocate. This was particularly problematic as there appeared to be no legal way for the developer to move apartment owners without obtaining their consent⁵—an obvious loophole that *Renovatsiya* program designers had confusingly left unaddressed. Famously, in *Sosnovaya Polyana*, one of the buildings was resettled almost completely, leaving just one resisting owner, a Mr. Smirnov,⁶ whose lack of consent suspended *Renovatsiya* for five years.

⁵ "Eminent Domain" or "Compulsory Purchase Orders" which are regularly used in redevelopment programs across the world do not work in the same way in Russia. Until recently (see the end of the chapter), city land (including the land under multi-story houses) could only be subjected to the compulsory purchase for "public needs" (not for the sake of a private developer) and in a very limited number of situations, almost exhaustively listed in the article 49 of the Land Code of the Russian Federation.

⁶ All names are changed.



Fig. 2 Photograph Boarded up residential building in *Sosnovaya Polyana*, 2018, Photo by the authors

The case of the Smirnovs was much reported and became the grounds for a newly-coined term which has by now become fairly prominent in popular planning discourses in Russia. It is called “the syndrome of the last resident” and describes the dynamic of investor-resident negotiations in regeneration: the further the resettlement goes, the more bargaining power the last residents obtain, as they can block the initiated resettlement process into which the developer had already invested. Here is how an interviewed developer’s representative described the situation:

Smirnov halted the project on its first phase [...] Residents in the second phase are waiting to be relocated and they look at their former neighbours’ life in the new buildings. So they come to us—us, who are victims in this situation—and say: it is you who don’t want to relocate Smirnov. We respond that we won’t negotiate a million per square metre with anyone. Because if we do, everyone who comes next will take that as their starting price. (expert: representative of developer in *Renovatsiya*) (Fig. 2).

The Smirnovs’ case is illuminating as it shows the immense bargaining power of individual owners able to resist the pressure of developers and public officials. The privatization of formerly state-owned flats has thus resulted in the multiplication of “veto points” (Tsebelis 2000, see above)—and has massively complicated coordination.

Surprisingly, in the program’s design, apartment owners who had the most veto power, via their potential refusal to resettle, were set at a marked disadvantage compared to state tenants who did not have the power to refuse:

- apartment owners were offered equal floor space in new buildings but, taken the compact room size in *khrushchevki*, it often led to a loss in the number of rooms. In such cases the developer granted extra 9 square metres. Owners could as well pay for additional floor space;
- state tenants, in contrast, were granted floor space in accordance with the “social minimum per person” defined in Russian housing legislation: 33 square metres for a single resident, 18 square metres per person in case there is more than one resident. In cases of relocating a crowded family, these conditions led to a significant increase in the apartment size, or even to obtaining several apartments by one family. This expected advantage often had an impact on families strategies: they would not privatise the flat before participating in *Renovatsiya* and would privatise it right after.

Private tenants were not taken into account by the program at all. They formed a “forgotten minority” (Shomina 2010) and fell through the cracks of public regulation.

While the popular discourse perpetrates the image of *khrushchevki* as “homogenous”, “depressing” and generally “suffering”, in our case-study we found a more complex and differentiated landscape that refutes “*the widespread image of khrushchevki as a homogenous soviet urban stratum*” (Inizan 2019). Apart from tenure, there was an array of other factors that could influence the residents’ opinion of the program: household structure, apartment condition, model and building maintenance, as well as the area where the estate was located. However, *Renovatsiya* policy disregarded that diversity offering a one-size-fits-all solution to Soviet low-rise housing estates.

With the program failing, *Renovatsiya* zones turned into sites of uncertainty and speculation. Our case study in *Sosnovaya Polyana* demonstrated that a new dividing line came into being that separated those who refused to give up their property from the rest of the neighbourhood, which typically wished to participate in the program and exchange their old flat for a new one. More and more often, the latter blamed the former for selfishly blocking the development. This is how an elderly local resident who was rather supportive of *Renovatsiya* described the situation:

I heard that those who were relocated—they are satisfied. Those who have not been—are not, they are complaining. They cannot get relocated because of some bastards ... Swindlers who are demanding a palace [in exchange for their old flat]. Because of them we have those abandoned buildings... They are scary to walk past, what if some bum jumps out and bites you! (laughs) (resident: male, 80).

His neighbour from the second *Renovatsiya* block, living in a solid recently refurbished post-war building also set for demolition, has a different perspective. He sees *Renovatsiya* as an encroachment upon resident’s rights:

In one of the buildings [that is undergoing resettlement] there are 7 families left. I spoke to them. They are serious people. They have relatives in the Supreme Court, they do know laws, so *Renovatsiya* has no chance there. [...] [at the meetings about *Renovatsiya*] local elderly ladies are demanding relocation. “We want to move! When will we move?” they scream [...] Once Smirnov attended. [...] He is a completely fine man, nothing is wrong about him. But what they did about him... “We could claim that your building is dilapidated.” They even gathered a commission for that purpose. But I said: “Listen, *khrushchevki*... According to local construction standards, brick buildings last 250 years, concrete ones—150 years. There can’t be any dilapidation if the building is taken care of. But if *Renovatsiya* brings about [dilapidation], then...” (resident: male, around 60).

The material environment at the site of the program's breakdown reflects ongoing social conflicts: the taller, well-lit and merry-colored buildings of a new development project called *Sunday* are surrounded by a semicircle of resettled, hollow-eyed *khrushchevki* with graffiti-covered walls, entry doors grown over with bushes, sealed windows—some of which bear signs of arson. The *khrushchevki* appeared abandoned but in one of them several windows were lit and had curtains, and in another (there was just one such window) was the Smirnov apartment.

In numerous individual stories it becomes clear that *Renovatsiya* massively complicated the management and the maintenance of existing buildings and their surroundings. With the advent of *Renovatsiya*, the built environment was successively deteriorating and growing dangerous. The city could not fund any improvements or maintenance work on land that was leased to the investor while it was interested in redeveloping instead of maintaining existing structures. At the same time, the city-owned managing companies operating the existing buildings became reluctant to perform their duties properly. The residents themselves felt unsure whether to take care and improve homes with such an uncertain fate:

We cannot properly renovate our apartment, invest money in this way, because it has been many years of us being “about to be relocated”. Up to this day we have no certainty whether we will move or not. [...] Our house-managing company got so excited when they learned that we were set for relocation; they halted any impulse toward renovation or improvements. [...] Nothing is being done. [...] If the fate of our house was clear, I would of course keep improving it... I look at other buildings that aren't set for relocation—people there really invest in caring for their homes. They get things done; you see that they get things improved... (resident: female, around 35).

Thus, the program created a legal gridlock: neither the city nor the developer could tackle the issue of estate maintenance with residents who have been trapped in this uncertainty for years. While in theory, the program targeted “depressing estates”, it actually resulted in shifting entire neighbourhoods into a “frozen”, deteriorating status and thus, in practice, created a self-fulfilling prophecy.

The situation saw some change only in 2020: after over 5 years of stagnation in *Sosnovaya Polyana*, the developer reached an agreement with the Smirnovs on undisclosed terms and, in July, *SPb Renovatsiya* demolished the first *khrushchevka*. The occasion was celebrated with a grandeur similar to when Khrushchev solemnly first unveiled the newly-built houses. Soon after, the State Duma adopted a law that facilitates *Renovatsiya* across the country, allowing two thirds of the residents to decide the fate of their building, an amendment that is seen by activists and public leaders as encroachment on the private property rights (Federalnii Zakon № 1023,225–7; Vishnevsky 2020).

2 Conclusions

In summary, it has become clear that the design of *Renovatsiya* in Saint Petersburg showed many of the typical sources of failure discussed in policy literature: while in need of wide consensus and collaboration, it rested on ideas (concerning the condition of *khrushchevki*) and goals (the demolition and replacement of existing stock) which were not, in fact, consensual at all. The funding and resources applied proved insufficient. The strong legal position of homeowners ensured the success of their opposition and affected the chances of derailing implementation. Last but not least, policies at the

local level did not prove stable over time, resulting in ineffective and unreliable patterns of cooperation between the city and the investor. Observing the past decade of *Renovatsiya* stagnation in Saint Petersburg prompts us to rethink the relationship between privatization and marketization described in the literature on the regeneration of housing estates.

Whereas “privatization” and “marketization” go hand in hand in many Western estates, they played against each other in the case discussed here. On the one hand, the reason for this is to be found in the Russian model of privatization: the de facto free-of-charge housing privatization to the sitting residents resulted in the emergence of an enormous bargaining power on the side of individual homeowners and created numerous ‘veto points’ from which the redevelopment of the estate could be impeded. On the other hand, ‘shock therapy’ marketization suddenly became a new phenomenon for the freshly post-socialist Russia, which led the situation to turn into that of “being more royalist than a king”: the Russian economic model, to some extent, became more radically neoliberal than many in Western European or even American contexts (Pachenkov and Olimpieva 2013; Bockman 2011; Matveev 2015). This, by means of a radical market reliance, fostered a loss of capacity for strategic urban planning on the side of the Russian city government. The predominance of a business-interest driven model of urban spatial development effectively blocked city planning from taking into account the aimed redevelopment’s complexity (the diversity of households and conditions, residents’ opinions of on their neighbourhoods) and facilitated an overly simplified and ineffective implementation strategy which, one could argue, was bound to fail from the beginning. The case of *Renovatsiya* in Saint Petersburg illustrates the limits of growth-oriented state-business coalitions, especially in an unstable post-socialist environment where institutes are still in formation.

Therefore the Russian privatization model that fostered micro-private and fragmented ownership disrupted the extreme market model developed for the regeneration of large housing estates. In spite of this policy failure, Saint Petersburg’s municipal administration seeks to push the same agenda by further adopting a Moscow model that limits homeowner veto power and allows for larger distances concerning resident relocation. With new federal legislature, this model now can be implemented all over Russia, targeting an even greater range of aging housing.

We would argue, however, that *Renovatsiya* initiatives require a complete reset moving away from a hyper-neoliberal model, one relying on private developers and guaranteeing excessive profits without providing benefits for large groups of the population, towards a more just, more comprehensive and more nuanced city-wide housing policy. This new policy needs to:

- study and evaluate all city housing types as well as their features, housing type development potential and roles in the city;
- pay serious attention to issues of housing estate management and the challenges that the Russian privatisation model puts forward;
- be not solely based on the characteristics of the material environment and technical conditions of the building, but pay respect to particular social milieus and lifestyles that different housing types shape; also to take into account the needs of different citizen groups, including those that represent the current, stable demand for housing in *khrushchevki*;
- turn away from the top-down decision-making model and embrace a modern, multifaceted governance of a complex city.

Altogether, while it remains difficult to project the insights gained from the experience of the *Sosnovaya Polyana* context onto the broad variety of large housing estates across Europe, we think that the study of *Renovatsiya*'s failure in Saint Petersburg does however give reason to rethink the connection between privatization and marketization in the regeneration of European neighbourhoods. It can thus serve as a gentle reminder to avoid generalisations and universal recommendations when addressing the heritage of large housing estates in different global contexts (see Hess et al. 2018).

Funding This article is based on the research project “Estates After Transition” which is collaboratively funded by the German Federal Ministry of Education (Funding No. 01DJ18002) and the Russian Foundation for Basic Research (RFBR contract No. 18-511-76001) within the funding scheme “ERA.NET Plus with Russia – strengthening STI links between Russia and the European Research Area”.

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